

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

**FIRST SET OF INFORMATION REQUESTS FROM
THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY
TO KEYSpan ENERGY DELIVERY**

D.T.E. 05-86-D

DTE 1-1

Date: February 7, 2006
Respondent: Ann Leary

- Q. Please provide an estimated monthly bill impact for each rate class that will be affected by the proposed Arrearage Management Program filed in DTE 05-86. The bill impacts should show the projected effect on customers' bills of implementing the proposed Arrearage Management Program during the first, second, and third year that the program will be in effect. Supply all assumptions and calculations relied upon to develop and support these estimated bill impacts.
- A. See attachment DTE 1-1. For purposes of this response, the Company assumed (i) that its arrearage management program will result in costs, including arrearage forgiveness, of approximately \$2.5 million annually and (ii) that the Company is allowed to recover the \$2.5 million through the LDAF clause from all firm ratepayers. Costs were allocated to Boston Gas, Colonial Gas and Essex Gas based on the 2005 R-4 (low income heating revenues). The allocated amount was then divided by the Company's 2005-06 annual projected throughput to arrive at the factor to be included in the LDAF. Annual bill impacts by customer class were then calculated and are shown in the Attachment DTE 1-1. The results indicate that customer bills would increase by between 0.07% and 0.24% depending on customer class and service territory.